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COMPARISON OF SAMPLE CLAUSES FOR CONTRACTS FOR THE TRANSFER OF KNOW-HOW, GRANT OF PATENT/TRADEMARK LICENSES, ASSIGNMENT OF TECHNICAL INFORMATION AND THE RENDERING OF TECHNICAL SERVICES ANCILLARY THERETO FOR THE MANUFACTURE OF AGRICULTURAL MACHINERY *

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The purpose of this document is to draw together the various types and versions of the clauses contained in drafts and precedents of the contract under consideration. It is essentially a research document, drawing on existing material and not seeking to furnish any new ideas on the possible approaches to issues in contractual relations.

The headings of the contract clauses dealt with in this document appear in the middle column of the "Contents" on the next page. The clause numbers are given in the right hand column. Reference is then made in the left hand column to the "Status" of the clauses considered. The letters "N", "R" and "O" stand for "Necessary", "Recommended" and "Optional" respectively. This classification indicates the degree of importance attached to the inclusion in the contract of a clause dealing with the issue raised in the corresponding clause heading. Thus, it is felt, a clause whose heading is assigned the status "Necessary" should appear in some form in the contract, even if it is not included in terms of any of the examples provided in this document.

On the page following the "Contents" there is an example of the preamble sometimes included in contracts. The recitals contained in a preamble serve to describe, if very briefly, the setting and conditions in which the agreement between the parties has been concluded. Under legal systems which take preambles into account, these can be of assistance in interpreting the clauses of contracts should a dispute later arise. Some legal systems, however, ignore the recitals contained in the preambl to a contract.

The major part of this document is given over to samples of the clauses which can be included in the contract under consideration. The examples appear in tabulated form. In some instances only one example is given of the possible terms of a clause dealing with the issue raised in the clause heading (left hand column of the table), in others two or three examples are provided. The fifth column, headed "Additions", contains extra material which supplements rather than replaces the examples given of a particular clause. The last column of the tables indicates, in abbreviated form, the sources from which the examples and additions have been generally drawn. The sources referred to above are set out in full in the last page of this document.

As recommended by the Second Consultation on the Agricultural Machinery Industry, the sources drawn from include the documentation considered by that Consultation, the views expressed on it, other relevant national and international material, the views of the participants in the Consultation and other interested parties and the experience gained by the Secretariat in work on contractual agreements.

Clause	Heading	Status
1	Definitions	R
2	Substantive Transaction	N
3	Entry into Force	R
4	Rights Assigned and Granted	N
5	Information to be Delivered	N
6	Transferor's Obligations	N
7	Transferee's Obligations	N
8	Secrecy	R
9	Marketing	O
10	Improvements and Developments	N
11	Third Party Claims	R
12	Warranties	N
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14	Liability of the Transferor	R
15	Remuneration of the Transferor	N
16	Assignment	R
17	Taxes	R
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19	Limitation of Damages	R
20	Amendment of Terms	R
21	Expiry of Contract	N
22	Suspension of Performance	O
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24	Waiver	O
25	Force Majeure	N
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27	Applicable Law	N
28	Settlement of Disputes	R
29	Notices	R
30	Registration	O

(know-how)

THIS AGREEMENT is made BETWEEN of (hereinafter called the "transferee") and of (hereinafter called the "transferor") this day of .

WHEREAS: -

1. The transferee is desirous of erecting a facility for the manufacture, supply, maintenance, repair and use of agricultural machinery in his/her own country;

2. The transferor has, for a considerable number of years, been a manufacturer of agricultural machinery, and -

(a) has acquired a substantial amount of know-how embodied in the design of the agricultural machinery specified in Appendix hereof and utilized by him/her in the manufacture thereof;

(b) has developed certain processes, methods, formulae and techniques used in the manufacture of the said agricultural machinery;

(c) possesses substantial valuable knowledge of a specialized nature relating to basic operational technical aspects of such processes, methods, formulae and techniques and continues to acquire information, skills, expertise and reputation relative to the manufacture of agricultural machinery;

(d) owns and maintains various letters patents of inventions, utility models, industrial designs and applications thereof relating to the said agricultural machinery and has the right to grant to others the licence to make, use or sell the said agricultural machinery and exploit the industrial property rights therein and has developed know-how related to such patents, utility models and industrial designs;

(e) is the owner of the trademark(s) in (country) used to designate the said products of agricultural machinery according to the letters patent hereinbefore mentioned.

3. The transferee desires to acquire and have the advantage of all the transferor's said and future technical knowledge, information, expertise, techniques and know-how in the manufacture, supply, maintenance, repair and use of agricultural machinery and desires to obtain a licence for the use and exploitation of the industrial property rights owned, maintained and which may be acquired by the transferor;

4. The transferor is mindful that the transferee has available to him/her in his/her own country a far lesser tradition in industry than has the transferor and that the consummation of this agreement is intended to aid and be in the interests of the industrial and economic development of the transferee's country.

Now, in CONSIDERATION of the premises and of the mutual covenants and conditions herein contained, the parties hereto have agreed and do by these presents agree as follows: -

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
DEFINITIONS R	1.1. For the purpose of this contract, these terms shall have the following meanings: - - "basic technology" - the technology reflected in the inventions and designs which are the subject of the patents, if any, as well as the technology reflected by the know-how and in the technical information; - "components" - all parts of the products and functional accessories thereto but not including those accessories which are not necessary to the functioning of the products as an operating unit; - "contract" - this agreement together with all the appendices and attachments hereto and all documents referred to herein; - "development" - any technological advance which is related to the products or any of them including an improvement which is patented, the subject of a patent application or patentable as well as any technological advance which is not reflected in the technical information; - "industrial property rights" - includes the patent and trademark rights as follows: -				Ex. I 1 WIPO
	As regard patents, those letters patent, utility models and applications therefor presently owned by or hereafter acquired by the transferor or in respect of which the transferor has or may have the right to control or grant licences during the term of this contract in any country or all countries of the world and which are applicable to or may be used in the manufacture of the products or any of them.	1. As regards patents, the patents and applications for patents of ... (country) and transferable rights thereunder, to the extent and only to the extent that the claims thereof cover subject matter related to the products or any of them, which are based on inventions made prior to the date of this contract and in respect of which the transferor shall have the right to make the grants provided for in this contract, subject in each case to the conditions under which the transferor now has or hereafter acquires the right to make such grants.			"patents" 1 Ex. II 1 WIPO 1
	As regard trademarks, the trademarks the short particulars of which are set forth in Annex of this contract.				

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
	- "know-how" - all the manufacturing knowledge, written or oral, whether in the form of patented or unpatented inventions, formulae, procedures and methods, or current and accumulated skills or experience which the transferor has acquired or may hereafter acquire, in so far as may be necessary to the transferee in the design of the products, in the design of the equipment for the manufacture of the products, in the manufacture of the products or in the operation, maintenance, use, sale or other disposition of the products; - "net selling price" - the invoice price of the transferee of any product sold, leased or otherwise disposed of by the transferee to any third person in nominal arm's length trade, during the term of this contract; such price shall not include normal discounts actually granted by the transferee, the f.o.b. value of raw materials, intermediate goods, parts or other components supplied, directly or indirectly, by the transferee nor standard bought-out components used in the products manufactured by the transferee, insurance fees and packing and transportation charges as invoiced separately to customers, and duties and taxes actually incurred and paid by the transferee in connection with the delivery of the products. - "plant" - the plant constructed hereunder in (country) for the manufacture of the products; - "process" the entire process devised for and utilized to manufacture the products; - "products" - those products and components listed in Appendix of this contract which are manufactured, assembled, used or sold under this licence/transfer and in accordance with the know-how, technical information or technical services and assistance furnished pursuant to this contract and identified by any trademark covered by this licence/transfer including the existing and new products as follows: - "existing products" - the products that are now or have been in the past manufactured or assembled and offered and sold commercially by the transferor in (country/ies); "new products" - all the products and components other then the existing products hereafter manufactured and hereafter sold commercially by the transferor in (country/ies) during the term of this contract.				

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
	- "standard of quality" - the standard of quality in materials and workmanship, described in Appendix of this contract, including applicable Government regulations, required to achieve the quality standard of the transferor for the products had the products been manufactured by the transferor; - "start up date" - of the plant means the date when the products are first produced by the said plant; - "technical information" - (i) drawings or other constructional data of machinery, tools and equipment for the manufacture of the products (ii) lists of equipment needed so as to arrive at an optimum efficiency in the manufacture of the products (iii) specifications of the measuring instruments best suited for the most efficient system for local production engineering regarding the manufacture of the products (iv) general descriptions (including documents, drawings, blueprints, specifications and standardization sheets) of the manufacture of the products in its successive stages (v) testing instructions regarding the mechanical and electrical requirements which are applicable to the products (vi) instructions regarding the most suitable packing of the products (vii) circuit diagrams, as well as schematic diagrams with drawings, of the products (viii) lists of parts of the products (ix) such other information as may be necessary for the manufacture, operation, maintenance, sale or other disposition of the products and any improvement or development thereon which is held or may be hereafter produced or acquired by the transferor or which the transferor now has or may acquire the right to control and furnish to the transferee during the term of this agreement.	- "technical information" the documentation including or relating to: (a) The range of uses and performance parameters of the products; (b) The drawings of the assemblies and sub-assemblies and the detailed drawings and nomenclature of the products and components to be manufactured by the transferee, together with the necessary specifications as well as the drawings and specifications of any special equipment and tools and of the special testing devices and instruments not routinely manufactured or sold from the transferor's catalogue; (c) A file showing, on the basis of detailed technological data sheets, the periods of time allocated for each machining operation on the individual items and components for the assembly of the products, which must include, in particular: - Working and inspection instructions for complex operations, with a subdivision of the various phases of the work; - Designation of the work stations and machines involved in each operation; - A list of the materials to be used, with an indication of the quality standards for each item; - A list of the measuring instruments and devices which are required but not routinely manufactured or sold from the transferor's catalogue; - A list of standard measuring instruments and devices. (d) The "process files" containing detailed descriptions of all the			"technical information" Ex. II ID/WG.400/2

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
		production processes and all the machining and assembly operations, both individually and in their chronological sequence. In this context, a file will be compiled for each product and component manufactured, taking account of the division of labour between the various work stations; this must include: - the drawings for machining and assembly; - the range of manufacturing operations and a list of the tools and equipment required; - the reference numbers of the designs of any special tools or equipment not routinely manufactured or sold from the transferor's catalogue; - the range of heat-treatment operations; - the range of inspection and trial operations, with a list of the testing equipment; -the reference numbers of the specifications for the testing equipment and instruments, together with the reference numbers of drawings of special testing equipment or instruments not routinely manufactured or sold from the transferor's catalogue. (e) A system of records by which the preparation and delivery of the "process files" can be checked, and in which successive alterations to the products and the components can be recorded. A separate form for each product must indicate the components required and their bulk and technical and other properties; (f) The specifications and any other information required to enable the transferee to place orders for raw materials and components not to be manufactured by the transferee himself;			

			EXAMPLE III	ADDITIONS	SOURCE
		(g) The standards used in the transferor's plants, together with any portions of those relevant to all the parts concerned, especially: - Standardized parts; - Purchased parts; - Semi-finished products and raw materials used in the manufacture of the products, with an indication of the corresponding international standards; (h) Instructions for inspecting and, where appropriate, acceptance and storage of the following items: - Raw materials; - Components originating in the LICENSEE's country; - Imported components; - Components manufactured by the transferee; - The products. (i) Instruction and maintenance handbooks for the use and maintenance of the products. (j) A detailed list of available spare parts and documents to make possible a compilation of a catalogue of spare parts; (k) Drawings for making the foundry patterns required for the production of the components together with all the information and documentation to be furnished by the transferor pursuant to this contract.		
	- "year" - any year of twelve consecutive calendar months beginning with the first of January of each calendar year during the term of this contract except that the first "year" shall begin with the date upon which the products manufactured hereunder by the transferee shall first be shipped for sale or use and shall end on the following thirty-first of December and the last "year" hereunder shall end upon the anniversary of the aforesaid date.				

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
SUBSTANTIVE TRANSACTION N	2.1. Subject to the terms of this contract the transferor shall grant to the transferee a licence of industrial property rights and shall supply the know-how, technical services and assistance to enable the transferee to manufacture and sell the components and products in consideration of the payment by the transferee to the transferor of the remuneration hereinafter specified.				Ex. I 2 WIPO
ENTRY INTO FORCE R	3.1. This contract shall enter into force on the date of signature hereof by the parties or, if not signed by the parties at the same time, on the date of signature of the last subscribing party.	3. This contract shall enter into force on the ... day of	3. This contract shall not enter into force until signed and until all authorisations necessary for its performance have been obtained.		Ex. I+II 3 WIPO Ex. III 3 ORGALIME
RIGHTS ASSIGNED AND GRANTED N	4.1. The transferor transfers and assigns to the transferee all the know-how which he/she as or may obtain, necessary and relevant to the design, manufacture, development, use, sale and maintenance of the products, as designed now or in the future, with all subsequent developments or improvements made during the term of this contract. The transferee accepts the said transfer and assignment. 4.2. The transferor undertakes not to transfer or assign the expertise referred to in sub-paragraph 1 hereof to any firm in the transferee's country and, further, undertakes not to manufacture or cause to be manufactured in the transferee's country any product or component whose function is within the same range as that of the components or products, or whose basic design or essential parts are similar to those of the components or products. 4.3. The transferor hereby grants to the transferee and the latter hereby accepts, subject to the terms of this contract, and subject to the requirements of any applicable laws, an exclusive licence for a term of .... years to manufacture, assemble, develop, use, sell, maintain and repair the products in the transferee's country.	4.3. The transferor hereby grants to the transferee and the latter hereby accepts, subject to the terms of this contract and subject to the requirements of any applicable laws, a non-exclusive licence of a term of ... years to manufacture, assemble, develop, use, sell, maintain and repair the products in the transferee's country.	4. Add.I. Provided that, if, after ... years from the entry into force of this contract, the transferee is not exploiting the market as provided in Clause 7 and the transferor serves a notice in writing to that effect specifying the ground of his/her dissatisfaction and the transferee fails promptly to effect a remedy, the exclusive licence to manufacture, assemble, develop, use, shall cease to be exclusive to the extent that the transferor shall be entitled to appoint not more than ... other licencees.	Ex. I 4.1 WIPO ID/WG.400.2 YDE Co.Ltd., Japan Ex. I 4.2, 3 WIPO 4+5 ID/WG.400/2 Ex. II 4.3 ORGALIME Add.I 4 WIPO

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
	4.4. Save as herein provided, the transferor undertakes not to manufacture, assemble, develop, use, sell, maintain or repair any products or components whose function is within the same range as the products and components or whose basic design or essential parts are similar to those of the products or components and, so far as he/she is so empowered, not to permit others so to do, in the transferee's country. 4.5. The transferor hereby grants to the transferee and the latter hereby accepts, subject to the terms of this contract and subject to the requirements of any applicable law, a non-exclusive licence for a term of ..... years to sell the products or components manufactured, assembled or developed by the transferee in all countries excluding the transferee's country. Provided that the transferee shall give the transferor written notice of his/her intention so to do ..... days before concluding such a sale.	4.5.(a) The transferor hereby grants to the transferee and the latter hereby accepts, subject to the terms of this contract and subject to the requirements of any applicable law, a non-exclusive licence to sell the products or components manufactured, assembled or developed by the transferee in the following countries only: The transferee shall not sell the said products or components in any other countries. (b) For each and every breach of his/her said obligation not to sell, the transferee shall pay to the transferor as liquidated damages the amount of ... in respect of each such sale of a component and the amount of ..... in respect of each such sale of a product. The transferee shall further forbid the sale by his/her purchasers of the products or components to which this licence relates to the extent that such sale is forbidden by this Clause to the transferee and shall impose on such purchasers a liability to pay liquidated damages in respect of each and every such breach of their obligations not to sell the said products and components. Such liquidated damages shall be paid over by the transferee to the transferor.	4.5 (a) The transferor hereby grants to the transferee and the latter hereby accepts, subject to the terms of this contract and subject to the requirements of any applicable law, a non-exclusive licence to sell the products or components manufactured, assembled or developed by the transferee in all but the following countries: .... (b) the transferee shall ensure that the products and components to which this contract relates are not sold in the countries to which such sale is forbidden as aforesaid. If such products or components are so sold, the transferor shall be entitled, by notice in writing, to determine this agreement and, where such sale occurs by the fault of the transferee, to recover damages.		Ex. II+III 4.5 ORGALIME

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
	4.6. During the term of this contract the transferee shall be entitled to avail of the sales and aftersales facilities and services which are at the disposal of the transferor or his/her affiliates in the countries to which the transferee is entitled to sell products or components manufactured, assembled or developed by him/her. Should the transferee propose to sell the said products or components in a country to which he/she is entitled to so sell but in which neither the transferor nor his/her affiliates has sales or aftersales facilities or services, the parties will negotiate an agreement for the provision of such facilities or services either by one party acting alone or both parties acting jointly.				Ex. I 4.6 ID/WG.400/2
	4.7. The transferor acknowledges that he/she holds under the laws of ... (country/ies) patents corresponding to the patents which are the subject matter of this contract and the rights in which have been granted to the transferee in respect of the transferee's country. As to the said .... country/ies) the transferor recognizes that the transferee may wish to export the products or components to the said .... (country/ies) and agrees that neither the transferor nor any person holding rights from the transferor will bring a suit for intringement against the transferee on the basis of such corresponding patents or to contest the importation by the transferee into the said ... (country/ies) of the products and components manufactured by the transferee in his/her country.				Ex. I 4.7, 8 WIPO 9+10
	4.8. The transferor authorizes and grants the right to the transferee to obtain in the transferee's country, to the extent permitted by the law of that country, in the transferee's name any of the patents to which this contract applies.				
	4.9. The transferor hereby grants to the transferee on the terms and conditons of this contract permission to use as trademarks the trademarks listed in Appendix ... of this contract upon or in relation to the products and components which are put on the market for use or consumption in the countries in which the transferee is entitled to sell the products or components in accordance with this contract.				
				4. Add. II. The transferee shall be the only licencee of the said trademark in the transferee's country.	Add.II 4 WIPO

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
	4.10. Where it becomes advisable for an application to be made for the registration of the trademarks in the transferee's country the transferee will render all reasonable assistance to the transferor in connection therewith. Should it be desirable that any such application should be made in the name of the transferee, such application will be made by the transferee at the expense of the transferor. Any registration so obtained shall be promptly assigned to the transferor.				
	4.11. Notwithstanding the provisions of Clause 16 of this contract, the transferee shall be entitled to assign or transfer the rights granted and assigned to him/her under sub-paragraphs 3 and 5 of this Clause ... to any firm in the transferee's country without requiring the written approval of the transferor.	4.11. The licences hereby granted to the transferee are not assignable and the transferee shall not assign his/her rights thereunder to a third party. Without prejudice to the foregoing the transferee shall not, without the consent of the transferor, bring the said licences into the assets of a company. The transferee shall not grant sub-licences without the consent of the transferor who shall not unreasonably withhold such consent.			Ex. I 4.11 ID/WG.400/2 Ex. II 4.11 ORGALIME
INFORMATION TO BE DELIVERED N	5.1. Within a period of months from the entry into force of this contract the transferor will deliver to the transferee all the technical information relating to the existing products and components in accordance with the Schedule set out in Appendix of this contract. 5.2. The technical information relating to new products and components shall be delivered to the transferee on the manufacture of such new products or components. 5.3. The list of technical information to be furnished by the transferor and the method of its arrangement shall be reconsidered by the parties from time to time and where so agreed, will be altered, added to or subtracted from provided that any such alterations, additions or subtractions do not materially detract from the warranties hereafter given. 5.4. The technical information shall be furnished by the transferor in the ... language. The method of arrangement of the said technical information shall be consistent.				Ex. I 5 WIPO

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
	5.5. The documentation furnished by the transferor under this contract shall become and remain the property of the transferee.				
TRANSFEROR'S OBLIGATIONS N	6.1. The transferor shall do every act and deed and shall execute and join in every doucment required to ensure the assignment and transfer of the rights and information described in Clause 4 hereof.				Ex. I WIPO 6.1
	6.2. The transferor shall furnish to the transferee all the data on the products, his/her experience and methods, including know-how or manufacturing secrets, in such a form that will enable their use after a reasonable period of adaption and so as to enable the manufacture, use and sale of products in conformity with the standard of quality.				Ex. I ORGALIME 6.2
	6.3. The transferor shall ensure that the technical information furnished to the transferee in accordance with this contract is complete and accurate. Should any omissions or inaccuracies in the said technical information become apparent, the transferor shall provide such documentation and information as may be necessary to rectify the said omission or inaccuracy.				Ex. I ID/WG.400/2 6.3
	6.4. The transferor shall, at the request of the transferee, make available to the transferee the technical services and assistance hereinafter described. For this purpose the transferor shall: (a) advise on the factory layout, assembly process - and improvements thereof - for the products in their successive stages and on material handling, flow and storage of components and of the products; (b) carry out the tests of the products in accordance with Clause 13 and with this Clause; (c) advise on quality control of the products; (d) advise on selection methods for personnel to be employed by the transferee in manufacturing the products; (e) provide training to the transferee's employees in accordance with sub-paragraph 8 hereof;				Ex. I WIPO 6.4, 5, 6 7+8
	6.5. The items of service and assistance specified in articles (a), (c) and (d) of subparagraph 4 shall be provided by the transferor free of any additional charge to the transferee other than the consideration to be paid by the transferee under this				

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
	contract. The remaining items of service and assistance referred to in sub-paragraph 4 hereof shall be provided by the transferor with the additional charge as hereinafter specified. 6.6. (a) Personnel designated by the transferee shall be given an adequate opportunity to study the method of manufacture of the products and components at the manufacturing plants of the transferor. Such personnel shall be given an adequate opportunity to acquaint themselves with the production design, production engineering, processes of production and testing of the products and with related shop practices and operations at such plants, and to discuss such production design, production engineering, process of production, testing practices and operations with the transferor's appropriate engineers and production personnel at such manufacturing plants. The transferee's designated personnel shall be permitted to make notes and sketches and to procure pertinent information and photographs in the possession of the transferor relating to the foregoing including purchase material costs and methods of quality control which may be in use in connection with the manufacture of the products. (b) The number of the transferee's personnel shall not exceed ... at any one time and the sum arrived at by multiplying each such personnel by the number of days visiting the transferor's plants and totaling the quantity thus arrived at shall not exceed man-days in each year. (c) The transferee shall advise the transferor in advance, in writing, of the names, interests, qualifications and probable lengths of stay of the transferee's designated personnel desiring to visit such plants in order to provide ample time to enable the manufacturing plants to prepare for such visits. (d) The travel and living expenses and all other expenses for such personnel shall be borne by the transferee. 6.7. (a) It is recognized that the transferee will require engineering advice to facilitate his/her rapid progress for the tooling up and the manufacture of the products.				

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
	(b) In this connection, the transferor will provide at the transferor's factory expert engineering staff specialized in the field of the products forming the subject of this contract and related laboratory and other supporting facilities. (c) This engineering staff will be available for consultation purposes to the transferee for a total of ... man-hours per month, or, if desired, ... man-hours as specified by the transfereee in any .... month period of a year. If ... man-hours of the transferee's engineering time are not used in any one month by the transferee, the difference in man-hours from that actually used and that allowed may be carried over for use in later months of said yearly period to the maximum accrual of ... man-hours. 6.8. (a) Upon written request of the transferee, the transferor shall send to the transferee, subject to the availability of personnel and to mutual agreement, one or more qualified engineers, specialists or experts to render services and assistance to the transferee in connection with the installation, operation and maintenance of the plant, the manufacture, sale and operation of the products or the training of the transferee's personnel for a reasonable period to be agreed upon by the parties hereto. (b) The transferee agrees to bear for each such engineer, specialist or expert the travel expenses to and from the place of the transferor, the living expenses at the place of the transferee incurred by any such person as well as a fee per day during the period of each such person's visit, at the amount agreed upon by the parties hereto in advance. (c) The sending of each such engineer, specialist or expert shall be subject to the prior approval of the terms and conditions agreed upon by the parties having been obtained if necessary, from the Government authorities concerned of the country of the transferee. (d) Persons sent by the transferor to the plant of the transferee to assist the transferee hereunder shall be furnished by the transferee with suitable working facilities, clerical services, proper equipment and tools to enable such persons properly and efficiently to perform their duties.				
				6. The personnel of either party, during the time they are present on the premises of the other party, shall be subject to all rules and regulations prevailing on the premises of such other party. However, none of such personnel of either party shall be considered for any purposes to be an employee of	Add.6 WIPO

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
	6.9. (a) The transferor shall, at the request of the transferee, supply the transferee with equipment (including the equipment required for the manufacture of the products) and/or products which are not manufactured by the transferee, but which are so manufactured by or exclusively for the transferor.				Ex.I 6.9 WIPO
	(b) The transferor shall supply the said equipment and/or products to the transferee at such price, not higher than the current international market price, and on such other conditions, including maintenance, repair and replacement, as may be agreed upon between the parties.	(b) The transferor shall supply such equipment and/or products to the transferee at the most favourable price and terms which the transferor has granted third parties.			Ex.II 6.9 ID/WG.400/2
	6.10.(a) The transferee may at any time give preference to equipment (including equipment required for the manufacture of the products) and/or products which are produced or are available for sale from suppliers in the transferee's country or on the international market.				Ex.I 6.10 WIPO
	(b) Provided that such equipment and/or products are offered at equally advantageous conditions with regard to quality, price and availability at the time and in the quantities required and provided further that, even if such equipment and/or products are not, in the transferee's country, so offered with regard to price, such equipment and/or products are nevertheless so offered with regard to quality and availability, the transferor shall make available direct to such source or sources as shall be selected by the transferee all such detailed drawings, bills of materials, and technical information relating to the said equipment and/or products as may be necessary for their manufacture.				
	6.11. Should any equipment (including equipment required for the manufacture of the products) and/or products not be manufactured by the transferor or the transferee, then the transferor shall inform and keep informed the transferee of all the suppliers of the said equipment and/or products from whom the supplier or his/her affiliates obtain the said equipment and/or products and further, shall give all reasonable assistance to the transferee in obtaining a supply of the said equipment and/or products at terms as advantageous as those obtained by the transferor or his/her affiliates. If necessary, the transferor shall discharge his/her obligations in this regard by purchasing the said equipment and/or products him/herself and selling them on to the transferee at no increased cost save as regards delivery.				Ex.I 6.11+12 ID/WG.400/2

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
	6.12.(a) If, during the term of this contract, the transferor, his/her affiliates or sub-contractors, should cease to manufacture any non-standardized item of equipment (including equipment required for the manufacture of the products) and/or products or should there be an irregular or insufficient supply of the said equipment and/or products or should there be an irregular or insufficient supply of the said equipment and/or products therefrom, the transferor shall furnish to the transferee a list of suppliers able regularly and sufficiently to supply the said equipment and/or products according to the original specifications or according to a design and standards sufficient to permit such equipment and/or products to replace the discontinued equipment and/or products. Should it be necssary for design alterations to be made to such replacement equipment and/or products to enable the standard of replacement specified in this sub-paragraph to be met, the transferor shall carry out all and any the design work necessary and shall provide the transferee with the relevant technical information at the transferor's cost. Further, the transferor shall, at the transferee's request, give every reasonable assistance to ensure the assignment to the transferee of all industrial property rights and the transfer of know-how in the said replacement equipment and/or products and in any development or improvement therein so as to enable the transferee in due course to manufacture, assemble, develop, use, sell, maintain and repair the said replacement equipment and/or products. (b) If, during the term of this contract the transferor or any of his/her affiliates should manufacture such a replacement item of equipment and/or product the same shall be deemed a new product.				Ex.I 6.12 ID/WG.400/2
	6.13.(a) The transferor will use his/her best efforts to market the products and components manufactured by the transferee, if so requested by the latter, in ..... (country/ies) at such prices, not lower than those prevailing on the international market or as may be agreed between the parties, and upon such other terms and conditions as may be agreed. (b) In the event that the transferor is requested to market the products or components manufactured by the transferee and if a more favourable price is available to the transferee for the products or components, then the transferee shall so				Ex.I 6.13+14 WIPO

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
	advise the transferor. The transferor shall notify the transferee regarding the transferor's intention of meeting such a more favourable price. In the absence of such notice the transferee shall market the said products and components. 6.14.(a) The transferor will pay any renewal fees necessary for the maintenance of any relevant patents and will, on receiving prior written notice, produce at his/her offices to the transferee of his/her representative the renewal receipts for inspection. (b) Nothwithstanding the foregoing the transferor shall not be obliged to maintain any patents which in his/her opinion do not justify the expense of maintenance. Before allowing any patent to lapse the transferor will give to the transferee at least one month's prior wirtten notice of his/her intention to allow any patent to lapse and will (if the whole of the rights in the patent are exclusive to the transferee) offer to the transferee an assignment thereof for a nominal consideration, the expense of the transfer thereof to be at the expense of the transferee. Where the patent rights are divided out amongst more than one person the transferee shall be entitled to a part share or other joint right therein equally with other non-exclusive transferees.				
TRANSFEREE'S OBLIGATIONS N	7.1. The transferee shall begin the manufacture of the product within ... months after the delivery of the technical information and shall exert his/her best efforts during the term of this contract (OR:- of the licence hereinbefore given) to create, supply and service in the transferee's country a market for the products which shall reach sales of ... units of products (OR:- revenue of ...). 7.2. From the date referred to in sub-paragraph 1 to the expiry of the term of this contract (OR:- of the licence hereinbefore given) the tranferee shall manufacture and/or assemble the products to the standard of quality, subject to such a standard conforming with the applicable regulations in the transferee's country.	7.2. From the date referred to in sub-paragraph 1 to the expiry of the term of this contract (OR: ... of the licence hereinbefore given) the transferee shall manufacture and/or assemble the products to the technical standards specified in Appendix ..., subject to such standards conforming with the applicable regulations in the transferee's country.			Ex.I 7.1, 2 WIPO 3, 4+5 ID/WG.400/2

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
	7.3. The transferee shall, from time to time, on request, supply at his/her own cost random samples of the products to the transferor and the transferor may, on reasonable notice, during business hours by his/her authorized representative visit the transferees plant to inspect methods of manufacture, materials used and storage and packing of the products.				
	7.4. Any product manufactured or assembled by the transferee which fails to attain the standard hereinbefore referred to shall, at the expense of the transferee, be withdrawn from the production line and corrected, destroyed or sold provided in the last case that it carries no reference to its manufacture or assembly under any licence or trademark of the transferor. Should the failure to attain the standard hereinbefore mentioned result from some failure of performance of the transferor's obligations under this contract, then the said withdrawl, correction, destruction or sale shall be at the expense of the transferor.	7.4. Should any products manufactured or assembled by the transferee fail to attain the standard hereinbefore mentioned then, unless the said failure results from some default of the transferor in the fulfilment of his/her obligations hereunder, the transferor shall be entitled to forbid the export of the said products.	7.4 Should the products manufactured or assembled by the transferee fail to attain the standard hereinbefore mentioned within a period of ... months from the commencement of production then, unless the said failure results from some default of the transferor in the fulfilment of his/her obligations under this contract, the transferor shall be entitled, on giving ... months' notice, to terminate the contract but the transferor shall have no claim in damages in that regard.		Ex.II+III 7.4 ORGALIME
	7.5. The transferee may use the term "licensed by " or its equivalent on or in connection with the manufacture, assembly, use, sale or other disposition of the product.	7.5. The transferee shall mark all the products made by him/her under this licence and supplied to his/her customers with serial numbers and shall affix to such products a plaque inscribed "licensed by ".			Ex.II 7.5 ORGALIME
	7.6. The transferee shall have the right to use a name of his/her choice or a mark of his/her choice on or in connection with the manufacture, assembly, use, sale or other disposition of the products.				Ex.I 7.6 ID/WG.400/2
	7.7. The transferee shall have the right to use the trademarks owned by the transferor in connection with the products done or in combination or in association with his/her own trademarks provided the form and method of use shall be decided upon in advance by agreement between the transferor and the transferee.				Ex.I 7.6, 7 WIPO 8, 9 10+11 ID/WG.400/2
	7.8. The transferee shall be entitled to use the trademarks of the transferor on their own.				

	7.9. Should the transferee use the trademarks owned by the transferor, whether on their own or in combination or association with his/her own, he/she shall use the transferor's trademarks precisely as spelt or drawn by the transferor and shall observe any reasonable directions given by the transferor as to the colour and size of the representations of such trademarks and the manner and dispositions thereof on the products or their containers. 7.10. The transferee shall, when and as requested in writing by the transferor, mark the products where appropriate, with patent numbers and indications of source of manufacture. 7.11. The transferee shall indemnify the transferor against any contravention of local laws relating to the marking of the products made according to the patents or the industrial design or sold under the trademarks licensed by this contract. 7.12. The transferee shall keep a special register in which he/she shall record the exact number of products manufactured by virtue of this contract, the said numbers marked on such products and other information relevant for determining the amount of royalties payable. The transferor shall have the right by means of an accountant appointed by him/her and approved by the transferee to inspect these registers and to examine whether or not they are consistent with the general accounts of the transferee. The costs of such an inspection and examination shall be borne equally by the parties. 7.13. Should the transferee, during the term of the contract, develop and/or manufacture a replacement item of equipment or product as referred to in sub-paragraph 4 of Clause 7, the transferee shall, at the transferor's request, furnish the transferor with all the technical information in respect of such a replacement part.			Ex. I 7.12 ORGALIME + ID/WG.400/2 Ex. I 7.13 ID/WG.400/2
SECRECY R	8.1. The transferee shall, subject to the provisions of this Clause: (i) not disclose or communicate the technical information of the transferor which has been or may hereafter be made available to the transferee directly or indirectly under this contract and which, at the time it is made available to the transferee, is specified as not to be disclosed or communicated to others;			Ex. I 8 WIPO, ORCALIME ID/WG.400/2

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	(ii) use his/her best efforts to prevent duplication or disclosure of any such technical information except to such third persons as may be specifically approved by the transferor in writing as authorized to receive the same (and then only to the extent necessary in the selection of a contractor and for the design, instalation, operation and maintenance of the plant) and who, to the satisfaction of the transferor, shall have agreed not to disclose the same; (iii) limit access to such technical information to those of its employees as may reasonably require the same for use under this contract; (iv) not use any of such technical information for any purpose other than for the manufacture of the products and for the design, instalation, operation and maintenance of the plant; (v) not make or cause to be made known to any third person any correlation or identity which may exist between, on the one hand, technical information supplied by the transferor pursuant to this contract and, on the other hand, any other technical information now or hereafter made available by third persons. 8.2. The obligation under sub-paragraph 1 hereof shall cease on the publication by the transferor or any third person of information comprising or being part of the technical information to the extent of such publication or of the agreement by both parties that such information or part thereof is, or has become, a part of the public domain. 8.3. Nothing contained herein shall in any way restrict or impair the transferee's right to use, disclose or otherwise deal with any technical information received, directly or indirectly, from the transferor which:- (i) at the time of its receipt is, or which thereafter becomes, part of the public domain by publication or otherwise; or (ii) the transferee can show was in its possession at the time of receipt and was not acquired, directly or indirectly, from the transferor; or (iii) is independently made available to the transferee, after the time of receipt from the transferor, by a third person as a matter of right and which did not originate with the transferor. 8.4. The transferor shall not during the period hereafter specified from the effective date of this contract disclose or communicate any technical information or other know-how				

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of the transferor to any other manufacturer in the territory of the transferee or disclose or communicate any technical information or other know-how of the transferee to any third person without the consent of the transferee. 8.5. The transferee shall cause its present and future employees to give suitable undertakings to the same effect as those specified in sub-paragraph 1 hereof. 8.6. Persons sent by the transferor to the plant of the transferee to assist the transferee shall not disclose any technical information relating to the transferee's method of manufacture coming to their knowledge and the transferee may require such persons to enter into a written obligation not to disclose such information. 8.7. Either party may disclose or communicate any technical information, made available to him/her by the other, subject to the agreement of the other, to his/her subsidiaries, affiliates, associates or research institutions, provided that such an entity gives suitable undertakings to the same effect as those specified in sub-paragraph 1 hereof. 8.8. Either party may disclose or communicate any technical information, made available to it by the other, to any Government regulatory body for the purpose of fulfilling the requirement of the applicable law concerning the approval or registration of this contract or of the products. 8.9. The transferee may communicate a limited part of the technical information to the extent that it is bona fide necessary for promoting the sale and use of the products and provided it is no more than is necessary in the circumstances: or, where the transferee proposes to use subcontractors for assistance in the manufacture of the products, he/she may, provided that a written undertaking against non-disclosure is obtained, disclose necessary technical information relating to the products. 8.10. The transferee shall not disclose or communicate except as provided in sub-paragraphs 2, 3, 7, 8 + 9 hereof, any technical information referred to in sub-paragraph 1 until the expiration of ... years after the last delivery of such technical information, or until the expiration of the term of this contract whichever is later.				

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MARKETING O	9. Each of the parties hereto agrees to co-operate in the devising of appropriate advertisements, in the exchange of printing blocks and other items where they meet local requirements. Material supplied shall be invoiced at cost plus freight. Such advertisements shall from time to time carry statements making clear the transferor is the proprietor and that the transferee is the licensee of the trademarks.				Ex.I WIPO 9
IMPROVEMENTS AND DEVELOPMENTS N	10.1. In this Clause: "improvement" means any technological advance which is not reflected in an invention or industrial design that is the subject of the patents hereinbefore defined but which is patentable or is the subject of a patent granted or of the application for a grant of a patent and which would, if exploited, reduce the cost of the manufacture of the products or increase the sales of the products. "Development" means any technological advance which is related to the products and which is not an improvement that is the subject of a patent or of an application for a grant of a patent or as well as any technological advance which is not reflected in the technical information. 10.2. Each party shall promptly inform the other of any improvements or developments which he/she may own, possess or control or be aware of and shall provide all available details thereof sufficient to enable the recepient party to use, exploit and practice the same. 10.3. Any party notifying the other of any matter pursuant to sub-paragraph 2 hereof may at the same time designate the same as potentially patentable, whereupon the recepient party shall keep the same confidential and do all such things as will ensure that letters patent applied for shall not be made void by reason of prior publication, prior use or otherwise. 10.4. The transferor shall furnish to the transferee, without any delay and free of charge, as soon as laboratory tests are completed and before the transferor applies for the grant of a patent, all information on improvements and developments made or acquired by the transferor during the term of this contract. The type and standard of the information to be so furnished will be that				Ex.I WIPO 10.1, 2+3 Ex.I ID/WG.400/2 + WIPO 10.4

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	applicable to the transfer of know-how and licensing of the use of industrial property rights under this contract in respect of know-how and industrial property rights existing at the date of this agreement. The transferor shall grant the transferee the same rights in such improvements and developments as he/she grants under this agreement in respect of existing know-how and industrial property rights. 10.5. In the event that the transferor elects, with respect to such improvements, not to apply for a patent or patents, the transferee shall have the right, with the prior consent of the transferor in writing, to apply for a patent or patents in the transferee's own name and at the expense of the transferee.				Ex.I 10.5 WIPO
	10.6. It is agreed that during the term of this contract the transferee shall have the right to use such patent or patents free of charge.	10.6. It is agreed that during the term of this contract the transferee shall have the right to use such patent or patents free of charge in his/her own country but subject to payment in all the other countries to which the licence herein granted relates.			Ex.I 10.6 ID/WG.400/2 Ex.II 10.6 WIPO
				10. Nothwithstanding anything contained in this Clause, the transferor shall not propose the use of any improvements or developments until such time as the same have been sucessfully tested and the transferor has satisfied him/herself of their utility. In furnishing the transferee with the said information relating to the said improvements or developments, the transferor shall specify to the transferee the nature and consequences of the improvements and developments. The transferor shall not impose the use of such improvements or developments on the transferee. Should the transferee decide to incorporate the said improvements or developments in the products and/or components to be manufactured by him/her, and should such incorporation be possible, the transferor shall, in the manner and subject to such terms as are agreed between the parties, study and inform the transferee of the optimum method of their incorporation and shall supply the know-how necessary therefor.	Add. 10 ID/WG.400/2

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
	10.7. The transferee agrees to inform the transferor of the fact of and to furnish to the transferor as soon as laboratory tests are completed and before the transferee applies for the grant of a patent all information on improvements and developments made or acquired by the transferee during the term of this contract.	10.7. The transferee agrees to inform the transferor of and to furnish to the transferor, subject to payment to be agreed upon, as soon as laboratory tests are completed and before the transferee applies for the grant of a patent, all information on improvements and developments made or acquired by the transferee during the term of this contract.			Ex.I 10.7 ID/WG.400/2 Ex.II 10.7 WIPO
	10.8. As the transferee may have the right to apply for the grant of patents or improvements, the transferee agrees to make reasonable efforts to obtain such protection.				Ex.I 10.8+9 WIPO
	10.9. In the event that the transferee elects, with respect to such improvements, not to apply for a patent or patents, the transferor shall have the right, with the prior consent of the transferee in writing, to apply for a patent or patents in the transferor's or the transferee's own name and at the transferor's own expense.				
	10.10. It is agreed that during the term of this contract the transferor shall have the right to use such patent or patents non-exclusively but shall not have the right to use such patent or patents issued or registered in the transferee's country.	10.10. It is agreed that during the term of this contract the transferor shall have the right to use such patent or patents non-exclusively, subject to the payment to be agreed upon, but shall not have the right to use such patent or patents issued or registered in the transferee's country.			Ex.I 10.10 ID/WG.400/2 + YDE Co.Ltd., Japan Ex.II 10.10 WIPO
	10.11. Each of the parties undertakes to inform the other in good faith and without reservation of any uses not envisaged by him/her at the time when this contract was made which subsequently appear to him/her practicable or which he/she proposes to put into effect.				Ex.I 10.11 WIPO +12
	10.12. If, after the expiration of ... months/years from the entry into force of this contract, either party informs the other that a technological advance has occurred which substantially alters the basic technology or that a new technology exists which enables the products to be manufactured in a substantially different manner or with a substantially different effect, the parties				

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	shall enter negotiations with a view to modifying the terms of this contract or to concluding a new agreement in its place. If the said technological advance or the new technology has been made or acquired by, or is available to, the transferor, the said negotiations shall extend to the terms and conditons upon which the said technological advance or new technology will be made available to the transferee; otherwise this contract may be terminated by the transferee in the manner provided in Clause 23 hereof.				
	10.13. The transferee shall obtain the consent of the transferor before undertaking any modifications or changes to the products.	10.13. The transferee may, without the transferor's consent, make modifications and changes to the products provided that the transferee specifies in a manner apparent to potential and actual purchasers that the said modifications or changes were made by him/her.			Ex.I 10.13 YDE Co.Ltd., Japan + ORGALIME Ex.II 10.13 ID/WG.400/2 WIPO + ORGALIME
THIRD PARTY CLAIMS R	11.1.(a) The transferee shall inform the transferor in writing of any claim of imitation of products or infringement of patent, trademark or other industrial property rights and of the commencement of any suit or action in regard to such a claim brought against the transferee which said claim, suit or action is based upon or arises out of the use by the transferee of any design, invention, industrial property right or information supplied by the transferor to the transferee.	11.1.(a) The transferee shall inform the transferor of any claims made against the transferee for fraudulent imitation.			Ex.I 11.1 WIPO +2 Ex.II 11.1 ORGALIME
	(b) The tranferor shall, on receipt of such notice and if so required by the transferee, undertake the defence of such a claim, action or suit at his/her own expense. The transferor in such case shall have the sole carriage of the said defence and the transferee shall be entitled to be represented by advisory counsel of his/her own choice. The transferee shall cooperate fully with the transferor in such a defence and shall furnish to the transferor all the evidence in his/her control.	(b) The transferor shall be entitled to join in any legal proceedings arising out of such a claim.			
	(c) Should the transferee undertake the defence of such a claim, action or suit the same shall nevertheless be at the expense of the transferor and the latter shall cooperate fully with the transferee in such a defence and will be entitled to be represented by advisory counsel of his/her own choice.	(c) If reproduction, sale or use of the products by the transferee results in a claim for fraudulent imitation against the transferee, the costs and any damages awarded against him/her shall be borne by ... . The costs and expenses of any counter-claim or of setting a claim shall be borne by			

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	(d) Neither party shall compromise any such claim, action or suit to the extent that such a compromise places any obligation on the other party without the express written consent of the other party. Payment of royalties as from the commencement of any such action or suit shall continue so long as the transferee is able to sell the products without a reduction in price. In the event that the said action or suit causes or requires a reduction in price or if a significant reduction in the volume of sales occurs by reason of the said action or suit the royalty payments to the transferor shall be reduced by an amount commensurate with the adjustment necessary by reason of such claim, suit or action. (e) If the transferee is required to pay royalties to any third person on the products by reason of the transferee's activities under this contract the royalties payable to the transferor shall be reduced by the amount of the royalties payable to such a third person. (f) In the event that the transferee shall have required the transferor to undertake the defence of any such claim, action or suit, the transferor shall indemnify and save harmless the transferee from any damages or other sums which may become payable under the final decree or judgement of any court in the said claim, action or suit. (g) The transferor shall not be liable for any imitation of products or infringement of patent, trademark or other industrial property rights in any instance where the particular tool, machinery, equipment, material or process complained of was specified by the transferee. In such an event the transferee shall indemnify and save harmless the transferor in the same manner as the transferor is required to indemnify and save harmless the transferee unless the transferor, having been consulted by the transferee or having had a reasonable opportunity so to do, did not advise the transferee against such a specification. (h) In the event of any claim of the kind referred to at article (e) above or in the event that the transferor becomes obliged to make a payment to the transferee under article (f) above, the transferor shall have the right, at his/her discretion, to eliminate the alleged infringement or imitation by, at the transferor's expense, (a) procuring for the transferee an				

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	appropriate licence or (b) making changes in the licenced plant provided that the said changes shall not impair the operation of the plant or, if they do, that the transferor shall pay damages to the transferee therefor.				
	11.2. The transferor also agrees to indemnify and save harmless the transferee from all and any claims for loss or damage arising out of the use of the technical information or know-how furnished under this contract and from all and any claims for damage or injury to persons or property or for loss of life arising out of or in connection with the manufacture or the use of products manufactured using the technical information or know-how furnished.				
	11.3. The parties undertake not to acquire any interest, directly or indirectly, in any firms likely to use the documents and information covered by this contract and to compete with the products; provided that the transferor may grant licences in countries where the transferee enjoys no exclusive right.				Ex.I 11.3 ORGALIME + 4(a)
	11.4.(a) The parties shall consult each other on methods of preventing third parties from making copies of the products. In particular, they shall assist each other in bringing proceedings against imitators or infringers of patent, trademark or other industrial property rights to the full extent permitted by the law of the transferee, or, where appropriate, of the third party against whom such proceedings are taken.				
	(b) The said proceedings shall be taken by the transferee or, if he/she so requires, the transferor, and the transferor shall be liable for the costs and expenses threreof. The party who has sustained damage or loss by reason of the said imitation or infringement, or if both parties, proportionately to their loss or damage, shall enjoy the benefits thereof, the other party providing, if need be, all necessary authorizations and signatures.	11.4 (b) The party which decides to take proceedings shall bear the costs and enjoy the benefits thereof, the other party providing, if needs be, the necessary authorizations and signatures. If the parties agree to commence proceedings jointly, the costs and benefits thereof shall be divided as follows: the transferor ..... % the transferee ..... %			Ex.I 11.4(b) WIPO Ex.II 11.4(b) ORGALIME
WARRANTIES N	12.1. The transferor warrants that, to the best of his/her knowledge, the products to be manufactured under this contract do not infringe any patents, trademarks or other industrial property rights in force on the date of execution of this contract.				Ex.I 12.1 WIPO 2+3

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	12.2. The transferor warrants that there are no subsisting licences under the patents, trademarks or other industrial property rights owned by the transferor and that no other licences will be granted to any other person and that no commitments have been made to grant any additional licences in respect of the transferee's country. The only subsisting licences granted by the transferor are in respect of the countries listed in Appendix ... hereof. 12.3. The transferor warrants that as of the date of execution of this contract he/she has no knowledge of any patent, trademark or other industrial property rights granted or inuring to third parties that would prevent the full enjoyment of the technical information furnished under this contract. 12.4. The transferor warrants that the industrial property rights, know-how and technical information assigned or transferred under this contract are: (a) all the industrial property rights, know-how and technical information available to the transferor in respect of or in connection with the products; (b) sufficient to enable the transferee to manufacture, use, sell, maintain and repair the products of agricultural machinery listed in Appendix ... hereof to the standard of quality hereinbefore defined; (c) appropriate to enable the trasferee's plant and installed equipment, in the conditions prevailing in the transferee's country, to manufacture the said products according to the standard of quality hereinbefore defined. 12.5. The transferor warrants that the products manufactured to the said standard of quality will be fit for use in the transferee's country in the conditions there prevailing and will meet the performance characteristics for the product set forth in Appendix ... hereof within the normally permitted tolerances. Further, the transferor warrants that the products, manufactured as hereinbefore described, will meet the safety and environmental requirements of the laws and regulations in force in the transferee's country and will at least meet the said requirements as applicable on the date of entry into force of this contract in the countries in which the transferor carries out similar operations.				Ex.I 12.4+5 ID/WG.400/2

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	12.6. Should the transferor supply equipment (including equipment used in the manufacture of products) the transferor warrants that the said equipment shall be sufficient to enable the manufacture of the products as warranted at sub-paragraph 6 hereof and will enable conformity with articles (b) and (c) of sub-paragraph 4. The transeror further warrants that the said equipment will attain the production capacity specified in Appendix ... hereof.				Ex.I 12.6 WIPO + ID/WG.400/2
	12.7. In the event of the transferor supplying the transferee certain additional services the transferor warrants that in respect of those services: (a) if the transferor designs, supervises the construction or the initial operation of the transferee's plant or supplies equipment therefor, that the said plant will be designed, constructed and operated according to the know-how, technical information and industrial property rights assigned, transferred or approved by the transferor and will be mechanically capable of meeeting the operating requirements set forth in the said technical information; and all compenents of the said plant, including all mechanical and electrical equipment and auxiliaries directly related and essential to operations of the plant, will be in good mechanical and operating condition; the equipment of the plant will be properly responsive to controls and will be capable of sustained operation for the period required for conducting performance tests as hereinafter provided; within ... months from the start-up date the plant will attain at least a yield and reach the planned capacity which satisfies the requirements set forth in Appendix ... hereof. (b) The training services by the tranferor for the transferee's personnel will be of a quality not less than that provided by the transferor to his/her own personnel and adequate to meet the needs of the transferee.				Ex.I 12.7 WIPO +8
	12.8. It is understood and agreed that, in so far as the conditions specified below are applicable, that the warranties given in this contract shall apply only if the following conditions are satisfied: (a) the products are manufactured in accordance with the specifications therefor and the know-how and technical information (and technical services and assistance, if any) to be furnished under this contract;				

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	(b) the workmanship in the manufacture of the products is comprable to the standards observed by the transferor in his/her own manufacture of the products; (c) in the manufacture of the products the transferee utilizes the methods and the specifications provided in the transferor's written know-how and the technical information furnished by the transferor as well as the raw materials and semi-finished products and other substances provided in accordance with the terms of this contract, or the transferee utilizes methods, specifications, materials, products or other substances of his/her own design or supply which are not inconsistent with the aforesaid know-how and technical information and evidently practised or used in the transferor's manufacture of the products to the extent that the transferee has information or actual knowledge of such current practices of the transferor or which, though inconsistent, the transferor has agreed may be utilized.				
	12.9. Should the transferor be in breach of any of the warranties hereinbefore given he/she shall pay damages to the transferee equal to the damage, loss (including consequential loss) and expense occasioned by the said breach.	12.9. Should the transferor be in breach of any of the warranties hereinbefore given he/she shall pay liquidated damages to the transferee in respect of each type of breach in the amount specified in Appendix of this contract for each month or part of a month for which the said breach is not fully remedied by the transferor.			Ex.I+II 12.9 WIPO
	13.1.(a) The transferor agrees to test from time to time in .... (country) without additional charge to the transferee the results of the manufacture by the transferee of the products by examining samples of such products (which are to be put at the disposal of the transferor free of charge) and send reports on such tests to the transferee.				Ex.I 13.1(a) WIPO
TESTS R	(b) Should the transferee, during the term of this contract, develop a new product, a replacement or modified product the transferor shall carry out tests thereof in .... (country) at the request of the transferee without additional charge by examining samples of such new, replacement or modified products (which are to be put at the disposal of the transferor free of charge) and send reports on such tests to the transferee.				Ex.I 13.1(b) ID/WG.400/2

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	13.2. Prior to any test of the said products, detailed methods of carrying out the test shall be agreed upon between the transferor and the transferee. These methods shall include methods of determining the composition of the products, methods of measuring the quality and the quantity of the products, methods of taking and of compositing samples etc.				Ex.I WIPO 13.2, 3 +4
	13.3. In the event that the products manufactured by the transferee do not attain the standard of quality hereinbefore defined then the transferor will send his/her representatives to the plant of the transferee to ascertain the reasons for such failure and will propose the necessary corrective action to overcome the known deficiency. If the representatives of both parties find the transferor to be responsible for the failure, then the transferor will cover all expenses connected with the rectification of the said failure whereas if the transferee is found to be responsible, the expenses shall be covered by the transferee.	13.3. In the event that the products manufactured by the transferee do not attain the standard of quality hereinbefore defined then the transferor will send his/her representatives to the plant of the transferee to ascertain the reasons for such failure and will propose the necessary corrective action to overcome the known deficiency. If the representatives of both parties find the transferor responsible for the failure, then the transferor will cover all expenses connected with the rectification of the said failure up to the sum of whereas if the transferee is found to be responsible, the expenses shall be covered by the transferee.			Ex.II WIPO 13.3
	13.4. Should the transferor, as regards the transferee's plant' design or supervise the construction or the initial operation or supply the equipment therefor, then the following provisions shall apply: (a) the transferor shall carry out performance tests at his/her own expense for the purpose of determining whether it meets the standards warranted and specified in Appendix ... . The said tests shall be on a date to be agreed between the parties but not later than ... days/weeks following on the start up of the plant. Any delay in carrying out the tests due to any cause outside the control of the transferor shall extend the time for carrying out the said tests; (b) performance tests shall be conducted under the supervision of the transferor's personnel and under such conditons as may be agreed. The transferor shall not be required				

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	to furnish his/her said personnel until he/she has received the transferee's assurance that all the raw materials, personnel, utilities and facilities listed in Appendix ... and required to be furnished by the transferee are available for immediate use in the said tests. Should the transferor furnish his/her said personnel and should the said raw materials, personnel, utilities or facilities not be readily available then the transferee shall pay the expenses of the said personnel of the transferor; (c) should the said plant not attain the quality and performance warranted the transferor shall, at his/her own expense, rectify the discrepancy; (d) if during the first performance test the warranties are not met the transferor shall conduct such additional performance tests as the transferee shall require at the transferor's cost.				
LIABILITY OF THE TRANSFEROR	14. The transferor shall be liable to the transferee in respect of any breach of contract or of warranty and in respect of any negligence committed by him/her in the course of carrying out his/her obligations under this contract.			14. Subject to the warranties hereinbefore given and to Clause 13, the transferor undertakes no responsibility for the risks of technical realization which are assumed solely by the transferee. The transferee shall be deemed to understand the subject matter of the licence and shall undertake its realization. The transferor does not warrant that the products are capable of commercial exploitation. The risks of such exploitation shall be assumed by the transferee.	Ex.I 14 ID/WG.400/2 Add. 14 ORGALIME
REMUNERATION OF THE TRANSFEROR H	15.1. In consideration of the licence granted hereunder by the transferor, the transferee agrees to: (a) pay the transferor a lump sum amounting to .... within .... days/ weeks of the entry into force of this contract (OR:.... in the installments specified in Appendix ...);	15.1.(a) In respect of the use by the transferee of the patents specified in Appendix ... hereof, the transferee agrees to pay to transferer during the term of this contract or for the duration of the patents, whichever is earlier, a sum representing either: (i) for the right to use any or all of the said patents (whether used in fact or not), a flat rate	15.1. In consideration of the grant of the industrial property licence, the supply of the know-how and technical information and the provision of technical services and assistance if the latter are requested by the transferee, as well as of their respective convenants, the parties hereto agree that the transferee shall pay the transferor the sums following in the manner and at the times set forth in Appendix ...:		Ex.I 15.1+2 WIPO ORGALIME + YDE Co.Ltd., Japan Ex.II 15.1+2 ID/WG.400/2 + WIPO Ex.III 15.1+2 WIPO

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		representing ... percent of the aggregated net sales price of the products sold in the transferee's country; (ii) for the right to use selected groups of patents during the time that in respect of each group there is a valid patent subsisting and being used by the transferee, including improvement patents, the separate rates for each such group as shown against the groups in Appendix in respect of existing patents (and without increasing the rate for any group on account of an improvement patent being added) and applying the resultant percentage to the aggregated net sales price of the products sold in the transferee's country.	(i) industrial property license _____ (ii) know-how _____ (iii) technical information _____ (iv) technical services and assistance _____		
	(b) pay to the transferor during the term of this licence or for the duration of the patents, whichever is earlier, royalties in the amount of ...% of the net selling price of the products manufactured and sold in the transferee's country and sold or otherwise disposed of in any other country to the extent to which, upon manufacture, the products include any invention claimed by the patents or if, and to the extent to which, such products include or employ, when sold or otherwise disposed of, any invention claimed by any of the patents.	(b) The selection of either of the rates provided for in (i) and (ii) above shall be at the option of the transferee. (c) The transferee has, for ease of accountancy, requested the transferor to grant the patent licence at a flat rate for all the rights to the patents notwithstanding that the transferee may not be at all times using or exercising all such rights. (d) The transferee reserves the right to convert such flat rate payment into an obligation to pay at separate rates for each group of patents			

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		according to the grouping shown in Appendix ... in each case for the duration of the patents in each group respectively, and at a separate rate for the use of each group, according to actual use. (e) The transferee, if paying at the flat rate, shall be entitled to call for a list of all rates not already shown in Appendix ... . After receipt of the said group-use rates the transferee may opt for the aggregate rate of the sum of the group-rates of selected patent groups listed by the transferee in place of the flat rate provided he/she gives the transferor ... days notice in writing to expire on a quarter day of his/her intention to pay selected rates as from the expiration of the notice in place of the flat rate; and if paying at separate group-rates he/she may give the transferor ... days notice in writing to expire on a quarter day of his/her intention to pay at the flat rate.			
	15.2.(a) In consideration of the technical information furnished by the transferor to the transferee hereunder, the transferee shall compensate the transferor by paying to him/her for a period of or for the duration of the patent licence, whichever is earlier, the following amount: (i) the sum of .... within .... days after the entry into force of this contract (OR: ... in the installments specified in Appendix ...), and (ii) royalties of ... % of the net selling price of each product manufactured and sold, leased or otherwise disposed of by the transferee	15.2.(a) In consideration of the technical information furnished by the transferor hereunder, the transferee shall pay to the transferor the sum of ... in the instalments specified in Appendix			

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	(b) In consideration of the trademark licence granted hereunder, and: (i) In respect of the provision of know-how, information and materials and for the imparting of a full knowledge of the standard of quality, the transferee shall pay to the transferor a sum of ... . (ii) In respect of the provision of technical services and assistance by engineers, specialists or experts of the transferor in so far as the same are required by the transferee to instruct personnel of the transferee in the methods of the transferor in achieving the standard of quality, the transferee shall pay to the transferor a sum sufficient to cover the relevant proportion of their salaries, and other usual benefits paid to or received by such skilled persons having regard to the working time spent by them in such instructions and any travel, subsistence and other expenses where any such skilled person is required to travel to the facilities of the transferee. (iii) In respect of the supervision of the standard of quality and inspection and testing of samples, and of methods of manufacture, storage and packing, the transferee shall pay to the transferor during the term of this licence or for the duration of the registration of the trademark, whichever is earlier, royalties of ... per cent of the net selling price of each product manufactured and sold, leased or otherwise disposed of by the transferee.	(b) (iii) In respect of the supervision of the standard of quality and inspection and testing of samples and of methods of manufacture, storage and packing the transferee shall pay to the transferor during the term of this contract or of the registration of the trademarks, whichever is the earlier, the amount of ... per annum.		15. Add I. In lieu of paying the royalities pursuant to sub-paragraphs 1 and 2 hereof the transferee, by so notifying the transferor in writing at any time, may elect to acquire a fully paid licence to manufacture an unlimited amount of the products by a cash royalty payment of ..... This payment may be made in the instalments specified in Appendix ... hereof. The transferee shall be entitled to a credit, applicable towards payments for the fully-paid licence to manufacture in respect of each year (or fraction of a year) for which running royalties shall have been paid pursuant to sub-paragraphs 1 and 2 hereof in an amount equal to ... percent of the running royalties previously paid for such year (or fraction of a year).	Add.I 15 WIPO
	15.3. In lieu of paying the royalties pursuant to subparagraphs 1 and 2 hereof in terms of a percentage of the net selling price of a product, the transferee by notifying the transferor in writing at any time may elect to pay for a period of ... months or for such period as may be agreed between the parties as royalties the sum of .... or such sum as the parties may agree per product manufactured and sold.				Ex.I 15.3 WIPO
	15.4.(a) For the purposes of this Clause a sale shall be deemed made when the transferee receives payment from the purchaser of the product.	15.4.(a) For the purpose of this Clause a sale shall be deemed on the shipment of the product pursuant to a contract of sale or acceptance by a purchaser in the absence of such a contract.			Ex.I 15.4(a) +(b) ORGALIME Ex.II 15.4(a) WIPO

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	(b) In respect of any product which is not sold loose but is incorporated, or which is otherwise disposed of, the list or invoice price shall be estimated as if a normal arm's length sale to a third person had been made at the time of such disposal. (c) (i) Upon the expiration or sooner termination of this contract, any of the products in stock and not sold by the transferee shall be deemed sold on the day such expiration or sooner termination becomes effective. (ii) Royalties shall be payable upon all products manufactured prior to but remaining unsold at the date of the expiration of the relevant patent and shall be calculated and paid in the manner and at times a provided in this Clause. 15.5. Within 30 days after the 31st of March, the 30th of June, the 30th of September and 31st of December of each year this contract is in force the transferee undertakes to submit to the transferor or such person or body as the transferor may designate from time to time a statement in writing, duly certified by the auditors of the transferee, setting out the quantities and the net turnover, in the currency of the products manufactured by the transferee and sold or leased or otherwise disposed of in the preceding quarter as well as the amounts due by the transferee under this Clause. 15.6. The transferee shall pay to the transferor in ... (country) and in the ... currency, within .... days after the dates of 31st March, 30th June, 30th September, and 31st December, referred to in subparagraph 5 hereof the royalties due thereunder, save as hereinafter provided. 15.7.(a) The transferee shall keep true and accurate files and books of account or other records containing all the data reasonably required for the full computation and verification of the amounts to be paid and the information to be given in the statements provided for herein. (b) The transferee shall, during the usual business hours, permit the transferor or the transferor's representative to inspect the same for the sole purpose of determining the amounts payable by the transferee. In lieu of inspection by the transferor's representative, the transferor shall have the option to have such inspection made at the transferor's expense by independent chartered accountants mutually acceptable to the parties hereto.				Ex.I WIPO 15.4(c) Ex.I WIPO 15.5, 6 7, 8, 9 10, 11 12, 13 +14

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	(c) The transferee shall permit an independent auditor appointed for that purpose by the transferor and the transferee to inspect the records of the transferee relative to this contract for the purpose of the statements referred to in sub-paragraph 5 at any reasonable time during the period this contract remains in force or within six months after the termination thereof. Such insepction shall be completed at the transferor's own expense provided that if any discrepancy or error exceeding three percent of the money actually due is found in connection with the computation, the cost of such inspection shall be borne by the transferee. (d) The transferee's net selling price shall be certified by auditor's appointed by both parties. 15.8. The amount of the payments due by the transferee to the transferor pursuant to the provisions of this contract shall be calculated in the ... currency. 15.9. Payment of the amounts due by the transferee to the transferor shall be made in accordance with sub-paragraph 11 save that, to the extent that the transferor can pay his/her costs under this contract in the ... currency, the transferor agrees to accept payment from the transferee in that currency. 15.10. The rate of exchange applicable to payments under this contract shall be: (a) As regards fixed amounts payable under this contract, the official cross rate computed on the basis of the par value quotation in terms of US Dollars of the International Monetary Fund or its successor organization on the day of transfer. (b) As regards the royalties calculated on a percentage, the average of the highest and lowest official exchange rates occurring during the calendar month preceeding the date of the statement referred to in sub-paragraph 5 hereof. 15.11. Except as provided in sub-paragraph 9 all payments to the transferor under this contract shall be effected by the transfer of the ... currency to the credit of the transferor at such Bank as the transferor may from time to time in writing designate and at the rates of exchange specified in subparagraph 10.	15.10. The rate of exchange applicable to payments under this contract shall be the rate of exchange prevailing at a first class foreign exchange bank in the transferee's country on the day such payment is made. 15.11. Except as provided in sub-paragraph 9 all payments to the transferor under this contract shall be affected by the transfer of the currency of the transferor's country or, at the option of the transferor, of another currency,	15.10. The rate of exchange applicable to payments under this contract shall be the rate prevailing on the last day of the relevant quarter. Should the transferee make a late payment, the transferor shall be entitled to choose between the said rate and that prevailing on the date when payment is made.		Ex.II WIPO 15.10 Ex.II ORGALIME 15.10 Ex.II WIPO 15.11

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		convertible in the sense of Article VIII of the Articles of Agreement of the International Monetary Fund, to the credit of the transferor at such Bank as the transferor may designate from time to time in writing and at the rate of exchange specified in sub-paragraph 10.			
	15.12. The transferee shall notify the transferor in writing immediately if any new laws, regulations or changes to existing laws or regulations are adopted or imposed by the Government of the transferee's country which, for any reason whatsoever, relate to the method of payment specified under the provisions of sub-paragraph 11 hereof. The tranferor shall, within ... days from receipt of such notification, advise the transferee in writing of any revision of the method of payment under the provisions of sub-paragraph 11, which the transferor deems necessary. Upon agreement between the transferor and the transferee as to such revision, if any, this contract shall then be amended to reflect such revision. 15.13. In the event that by virtue of any law, regulation or order the transferee is unable to make the payments falling due in accordance with sub-paragraph 11, payment into a bank in the country of the transferee to the credit of the transferor (or to two persons or to a legal entity as trustees of the transferor or such other arrangements as may be permitted) shall be a good discharge of the transferee's liability to make such payments but it shall also be ground for the transferor to give written notice terminating this concract ... days after giving notice of such ground. 15.14.(a) The obligation of the transferee to make payments and the rate of payment for each product manufactured and sold, or leased or otherwise disposed of, shall be subject to revision in the event that: (i) legal proceedings are instituted attacking the validity of the patents; (ii) any of the patents is invalidated or an application for the grant of any of the patents is refused; (iii) the transferee can show to the satisfaction of the transferor that the invention under the patents or the know-how supplied by the transferor has been superseded by the technical or other advances or third persons in the field of use;				

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	(iv) new laws or regulations are adopted or changes are made to existing laws that relate to the method of payment as provided for in sub-paragraph 11; (v) more favorable terms and conditions are granted to a third person as provided for in Clause 20; (b) In the event of failure to satisfy the transferor or failure to agree on a revised scale of payments, the matter shall be deemed a dispute within the meaning of Clause 28.		15. Add II Irrespective of the sales actually made by the transferee the royalties payable (save in so far as the transferee has not opted for a lump sum replacement payment) shall be not less than: ... in the first year ... in the second year ... in the third and each succeding year. If the contract is in force for less than 12 months in any calendar year, the minimum royalties shali be adjusted accordingly.	Add.II 15 ORGALIME
ASSIGNMENT R	16.1. Save as hereinafter provided neither party shall, without the prior written consent of the other, assign any of his/her rights or delegate any of his/her duties under this contract or under any agreement supplementary thereto, except to his/her legal successor or to any legal person acquiring all or substantially all the business and assets of such party. 16.2. The transferor may assign the right to receive royalties or other remuneration payable by the transferee under the terms of this contract to any bank or financial institution or other legal person, provided that notice in writing is given by the transferor to the transferee at least ... days before any of the dates indicated in sub-paragraph 5 of Clause 15 of the name and address of such legal person and of the date from which such royalties or renumeration should be paid to such legal person.		16. Add.I. (a) The transferee may extend the benefits of this contract from time to time to any one or more of the transferee's present associates; provided, however, that each associate of the transferee to which such extension is made shall agree to be bound by all the other terms and conditions of this contract to the same extent as the transferee is bound hereby. (b) The transferee will promtly notify the transferor in writing of each such extension made by him/her as herein provided.	Ex.I 16.1 WIPO YDEO Co.Ltd., Japan Ex.I 16.2 WIPO Add.I 16 WIPO

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				(c) The transferor agrees that he/she will accept from such associates of the transferee statements and royalty payments in respect of operations of such associates hereunder in lieu of statements and royalty payments from the transferee in respect of such operations. (d) The transferee shall be and remain primarily responsible for the making of statements and the payment of royalties in respect of such operations as well as for the performance of all other obligations under this contract of such associates.	
				16. Add II.(a) The transferee may extend the benefits of this contract to any agency or institution of the Government of transferee's country, provided such agency or institution shall agree to be bound by all the terms and conditions of this contract to the same extent as the transferee. (b) In the event of such extension the transferee will promptly notify the transferor in writing and the operations of such Government agency or institution shall be deemed, for the purposes of this contract, to be operations of the transferee. (c) The transferee shall be and remain primarily responsible for the payment of licence fees in respect of such operations as well as for the performance of all other obligations under this contract of such Government agency or institution.	Add.II 16 WIPO
				16. Add III. The transferee may, with the consent of the transferor, extend the benefits of this contract to any one or more of the transferee's future associates	Add.III 16 WIPO

				or to any third person upon such terms and conditons as may be agreed upon among the transferor the transferee and any such associate or third person and, where appropriate, subject to the action of any Government body concerned. 16. Add. IV. The transferor may assign all rights or delegate all duties under this contract to any third person who shall have agreed to be bound to the same extent as the transferor by all of the terms and conditions of this contract and to whom the transferor shall have: (i) assigned all or substantially all of the patents and transferred all the technical information and know-how, or (ii) assigned or granted the right to grant licences for the transferee's country under all or substantially all of the patents and transferred all the technical information and know-how.	Add.IV 16 WIPO
TAXES R	17. The transferor shall bear the direct taxes to be levied under the law of the transferee's country on the income of the transferor under this contract. In the event that the transferee deducts such tax from the amount of the income to be remitted to the transferor, the transferee shall send to the transferor, in due course, a tax certificate showing the payment of such tax. Turnover taxes payable in the transferee's country on such sums payable to the transferor shall be the responsibility of the transferee. Should the law of the transferee's country require the payment of such turn-over taxes by the transferor, the transferee shall provide assistance to the transferor to enable him/her to comply with the obligations and formalities involved.	17. The transferee shall be responsible for the payment of all direct and turnover taxes payable in the transferee's country by virtue of sums paid to the transferor in accordance with the terms of this contract. Should the law of the transferee's country require payment of the said taxes by the transferor, the transferee shall provide assistance to the transferor to enable him/her to comply with the obligations and formalities involved.			Ex.I 17 WIPO + ORGALIME Ex.II 17 ORGALIME
DELAYS N	18.1. Should the transferor delay or default in the performance of any of his/her obligations under this contract, then, without prejudice to any other remedies	18.1. Should the transferor delay in the performance of any of his/her obligations under this contract then,			-II 18.1

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	available to the transferee, the transferor shall be liable to pay to the transferee damages for breach of contract amounting to the value of the damage, loss (including consequential loss), costs and expenses suffered by the transferee by reason of the transferor's said delay or default.	without prejudice to any other remedies available to the transferee, the transferor shall be liable to pay to the transferee liquidated damages as follows: (a) in respect of the failure to supply the technical information, know-how, technical services and assistance a sum of for each week or part of a week for which the said failure continues. (b) in respect of the failure to deliver products and equipment a sum equal to percent of the value of each such product or item of equipment whose delivery is delayed.		18. Provided that the maximum sums recoverable as liquidated damages will not exceed ... in the case of (a) above and ... in the case of (b) above. Once the said maximum sums have been reached the transferee shall be entitled to terminate this contract as hereinafter provided.	Add. 18 WIPO
		The said liquidated damages will be payable in respect of each week of the said delay commencing days after the due date for the rendering of the services. The due dates for the rendering of the services referred to at (a) above are, in respect of the transfer of know-how and the technical information, the dates specified in Appendix ... of this contract, and in respect of the technical services and assistance, a reasonable date having regard to the date upon which such services or assistance were requested.			

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		The due dates for the delivery of products or items of equipment shall be ... days from the dates upon which such products or items of equipment were ordered by the transferee.			
	18.2. Should the transferee delay in making payment to the transferor of sums due under this contract, then, without prejudice to any other remedies which may be available to the transferor, the transferor shall be entitled to receive from the transferee interest at a rate of ... percent per annum on the said delayed payments.				Ex.I 18.2 ORGALIME + WIPO
LIMITATION OF DAMAGES R	19.1. Where either party is liable in damages to the other under this contract, these shall not exceed the damage which the party in default could reasonably have foreseen at the time of the formation of the contract. 19.2. The party who sets up a breach of contract shall be under a duty to take all necessary measures to mitigate the loss which has occurred provided he/she can do so without unreasonable inconvenience or cost. Should he/she fail to do so, the party guilty of the breach may claim a reduction in the damages.				Ex.I 19 ECE/188 A
AMDENDMENT OF TERMS R	20.1.(a) If, under similar and substantially the same terms and conditions as contained in this contract, a licence or agreement is concluded by the transferor with any third person in ... (country/ies) in respect of the terms and conditions of this contract on more favourable terms and conditions than those here granted to the transferee, shall be entitled to have the terms and conditions of this contract modified as of the earlier date on which such other person conducts operations under such favourable terms and conditions, to such extent that the same shall be as favourable as those granted to such third person, but only for so long as such terms and conditions shall be applicable to such third person. (b) Provided, however, that the transferee shall not be entitled to such more favourable terms and conditions referred to in paragraph (a) above, without accepting any less favourable terms and conditions that may be in the said contract, and also provided that such lower terms and conditions shall not entitle the transferee to any refund or abatement of royalties paid or accrued prior to the aforesaid earlier date.				Ex.I 20 WIPO

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	(c) For the purpose of paragraph (b) above, the royalty rate granted to another transferee shall be deemed to be the actual rate so granted plus the amount of any allowance or reduction made to such other transferee in connection therewith in respect of any rights or other valuable consideration, passing to the transferor from such other transferee, as consideration in whole or in part for the licence granted and the know-how transferred to such other transferee by the transferor. (d) Provided, furthermore, that the foregoing provisions of paragraphs (b) and (c) above shall not apply in respect of any cross licence that may be entered into by the transferor. (e) The transferor shall inform the tranferee of the terms and conditions of any licence covering the patents or of any agreement covering the know-how and of the terms and conditions of any such licence or agreement for ...(country/ies). 20.2 (a) If any change is required regarding the terms and conditions of this contract then the transferor and the transferee shall negotiate in order to find a suitable solution. (b) This contract may be amended or modified only by an insturment in writing of equal formality, signed by the duly authorized representatives of the respective parties hereto.				
EXPIRY OF THE CONTRACT N	21.1 Subject to the terms of this contract, this contract shall expire on the day of .... . 21.2 In the event that the term of any licence of any patent (including any patent of an improvement) is longer than the term of this contract, then, after the latter term has expired, the transferee may, for the term of the licence, continue to exploit any invention or improvement covered by such a licence. 21.3 Upon the expiry of the contract, the tranferee may continue to manufacture the products and use the techniques and processes brought to his/her knowledge by the transferor without having to pay any royalties. However, he/she shall refrain from disclosing any documents less than ..... years old.				Ex.I 21.1 WIPO + ORGALIME Ex.I 21.2 WIPO Ex.I 21.3 ORGALIME + WIPO

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE

SUSPENSION OF PERFORMANCE O	22.1 In the event that legal proceedings are instituted by any third person attacking the validity of the patents, the transferee may, after giving .... days written notice, suspend the performance of his/her obligations under this contract.			Ex.I WIPO	22
TERMINATION N	23.1. In the event of failure or neglect of either pary hereto to fulfill any of his/her obligations under this contract and if the other party gives written notice of such default, then if such default is not cured within .... days after the giving of such notice, the party giving such notice shall have the right to terminate this contract at any time thereafter, provided the default is still in existence, by giving written notice of such termination to the defaulting party. 23.2 If either of the parties hereto becomes insolvent or makes an assignment for the benefit of creditors or proceedings in voluntary or involuntary bankruptcy are instituted on behalf of or against the said party or a receiver or trustee of the said party's property is appointed, this contract shall forthwith terminate without further action or notice. 22.3 The transferee may terminate this contract at any time by giving ..... days' written notice to the transferor upon the occurrence of any of the following events: (i) after the date upon which royalties are no longer payable under Clause 15 hereof or when the transferee shall have acquired a paid-up licence for the then existing capacity of the plant in accordance with the said Clause 15 following the start-up date of the plant, whichever shall last occur; (ii) the failure of any warranty set forth in Clause 12; (iii) the failure to supply the technical information as provided in Clause 10 or the technical services and assistance as provided in the said Clause 10; (iv) the occurrence of technological advances which substantially alter the basic technology or the availability of new technology which enables the product to be manufactured in a substantially different manner or with a substantially different effect as referred to in sub-paragraph 12 of Clause 12;			Ex.I WIPO	23.1, 2 3+4
			23.3. (v) If the transferee shall have shown that the products have lost their market by reason of technical or economic developments.	Add. ORGALIME	23

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
	23.4 The transferor may terminate this contract at any time by giving day's written notice to the transferee upon the occurrence of any of the following events: (i) whenever amounts payable to the tranferor pursuant to Clause 15 have not been received in full by the transferor within a period of months from the dates on which the statements shall be submitted pursuant to sub-paragraph 5 of Clause 15; (ii) failure to make payments on the ground stated in sub-paragraph 13 of Clause 15; (iii) if the transferee fails to take reasonable measures to safeguard against the disclosure of technical information provided for in Clause 8 and as a result of that failure the technical information is disclosed or communicated to unauthorized persons; (iv) if the transeree is not exploiting the market as provided for in Clause 8; 23.5 Without prejedice to the foregoing sub-paragraphs of this Clause, this contract may be terminated for any cause sufficient to justify termination under the proper law of this contract. 23.6 (a) In the event that the transferor, in accordance with this Clause, terminates the contract prior to the expiration of the term hereof, the transferee, unless he/she has substantially performed all his/her obligations under this contract, shall return all the technical information in written or visual form and shall, for a period of ..... not disclose or communicate or use such technical information except as hereinbefore provided. (b) In the event that the transferee, in accordance with the terms of this contract, terminates this contract prior to the expiration of the term hereof, the transferee may continue to exercise all rights under the licence of any of the patents or of any patent of improvement granted hereunder and to use the technical information supplied under this contract for the duration of the licence subject, however, to the provisions of Clause 8.				Ex. 23.5 ORGALIME
WAIVER O	24.1 No omission or delay on the part of any pary hereto in requireing a due and punctual fulfillment by the other party hereto of the obligations of such other party shall be deemed to constitute a waiver by the omitting or delaying party of any of his/her rights to require such due and punctual fulfillment of any other obligations hereunder whether similar or otherwise, or a waiver of any remedy his/her might have hereunder.				Ex.I 24 WIPO

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
	24.2 The failure on the part of either of the parties hereto to exercise or enforce any right conferred upon them hereunder shall not be a waiver of any such right nor operate to bar the exercise or enforcement thereof at any time or times thereafter. 24.3 Waiver of any breach of any provision hereof shall not be deemed to be a waiver of any other breach of the said provision or any breach of any other provision hereof.				
FORCE MAJEURE N	25.1. No failure or omission by either party hereto in the performance of any of his/her obligations under this contract shall be deemed a breach of this contract nor create any liability if the same shall arise from force majeure. 25.2 (a) Each party hereto shall notify the other of any material change in conditions or the occurrence of any event which interferes or threatens to interfere with the performance of this contract. (b) Upon such notice, the parties shall establish a joint report as to the existence of such change or event and, pending the establishment of the said report, either may submit to, or invite proposals to be submitted by, the other as to the measures which may be taken by either party or others to overcome the interference or as to any alternative steps to be undertaken by either party or others with a view to continued performance under this contract. (c) These proposals may include recommendations for the supension of any condition or performance under this contract, for a modification of the terms of performance, or for the termination of the contract and for the assumption by either party of any costs incurred or to be incurred as a result of the change or event which has arisen or in giving effect to the recommendations. (d) Failure of the parties to agree on the establishment of the joint report referred to in paragraph (b) of this article, or to make proposals, or to give effect to the recommendations advanced by the other shall be considered a dispute within the meaning of Clause 28 hereof. 25.3 In the event that either party terminates this contract prior to the expiration of the terms thereof because of a change in conditions or the occurrence of an event beyond the control of either party, as				Ex.I 25 WIPO

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
	provided for in sub-paragraphs 1 and 2 hereof, the other pary shall, for a period of ... not disclose or communicate or use any technical information supplied under this contract except upon terms and conditions to be agreed on.				
CONSEQUENCES OF TERMI-NATION OR EXPIRY OF THE CONTRACT N	26.1 Notwithstanding anything herein contained to the contrary, in the event of any termination or expiration of the term of this contract, the transferee shall have the right to use or sell the products on hand on the date of such termination or expiration and to complete the products in the process of manufacture at the time of such termination or expiration and use or sell the same, provided, however, that the transferee shall make the payments and the reports . stipulated in Clause 15. 26.2 Any termination or expiration of the term of this contract shall be without prejudice to the rights of either party against the other which may have accrued up to the date of termination. 26.3 In respect of any equipment acquired by the transferee from the transferor pursuant to Clause 9, sub-paragraph 6 the transferor shall continue to be obliged to maintain, replace or repair such equipment or parts thereof for a period of .... from the date of the termination or of the expiration of the term of this contract. 26.4 Sub-paragraphs 5, 6 and 7 of Clause 15 shall continue to have effect as long as necessary to permit a final accounting and to resolve any dispute concerning any matter at issue under this contract.				Ex.I WIPO 26
APPLICABLE LAW	27. Regardless of the place of agreement, the place of performance or otherwise, this contract and all amendments, modifications, alterations or supplements hereto, shall be construed under, governed by and the legal relations between the parties hereto shall be determined in accordance with the laws of				Ex.I WIPO 27
				27. Add I. In the event of a conflict between any provision of this contract and any pertinent law, regulation, ordinance or decree, the provision of this contract so affected shall be regarded as null and void or shall be curtailed and limited to the extent necessary to bring them within the legal requirements but otherwise it shall not render null and void other provisions of this contract.	Add.I WIPO 27

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
				27. Add. II. In case of doubt as to the interpretation of any of the provisions of this contract, the version of this contract in the ... language shall prevail.	Add.II 27 WIPO
SETTLEMENT OF DISPUTES R	28.1 Any dispute, controversy or claim arising out of or relating to this contract, or the breach, termination or invalidity therof, shall be settled through bona fide negotiations between the parties hereto. 28.2 (a) In the event of any dispute arising under this contract which the parties are unable to resolve by discussion or bona fide negotiations, the matter shall be referred to an independent person of good repute and standing who may be an accountant, legal counsellor, consulting engineer or other professional person chosen as befits the basic point of disagreement. (b) The expert shall be appointed jointly by the parties and in default of agreement he/she may be appointed on the application of either party by the president for the time being of .... (a professional organization). (c) The expert appointed shall act as an expert and not in a judicial capacity or as an arbiter. (d) Either party may call upon the expert to issue his/her report within a limited and specified time, being a reasonable time in the circumstances. (e) The parties shall share the costs of the decision of the expert equally unless he/she gives a certificate that the conduct of either party is such that he/she should bear all the costs. 28.3 Should negotiations pursuant to sub-paragraph 1 or the report of the expert appointed pursuant to sub-paragraph 2 fail to result in a settlement within ... months, the parties hereto agree to finally settle any such disputes by arbitration pursuant to the UNCITRAL Arbitration Rules which the parties declare to be known to them. To enable the application of the UNCITRAL Arbitration Rules the parties agree: - (i) the appointing authorities shall be (ii) the number of arbiters shall be (iii) the place of arbitration shall be (iv) the language(s) to be used in the arbitration proceedings shall be (v) both parties authorize the arbitrators to act ex equo et bono (OR:... as amiables compositeurs).	28.1. Any dispute arising out of or in connection with this contract shall be finally settled without recourse to the courts in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbiters designated in conformity with those Rules. The arbiters shall have power to rule on their own competence and on the validity of the agreement to submit to arbitration.			Ex.I 28 WIPO Ex.II 28 ORGALIME

HEADINGS	EXAMPLE I	EXAMPLE II	EXAMPLE III	ADDITIONS	SOURCE
NOTICES R	29.1 Any notice or request with reference to this contract shall transmitted be by registered, prepaid air letter, cablegram or radiogram and shall be directed by one party to the other at the respective addresses given in Appendix ..... or at such other address as either of the parties may in writing notify the other. 29.2 All notices shall be deemed to be given at the time of mailing or at the time of delivery of a cable to the communications company or its agent for transmission, as the case may be.	29.2. Notice shall be deemed to be given as of the date of the signing of the return receipt by the addressee.			Ex.I+II 29 WIPO
REGISTRATION O	30.1 This contract is subject to the registration in, and approval of the competent Government authorities of, the country of the transferor and of the transferee, as may be necessary, having been duly obtained. 30.2 Within the time limits of any applicable law and if permitted by such law, either party may, and, if requested by a party to this contract, the other party shall, apply for the registration or approval of this contract to any agency, officer or authority of the Government of his/her country whose registration or approval is required by such law. 30.3 Each party shall fully cooperate with the other with regard to any such registration or approval, or additional registration or approval, that may be required in connection with the implementation of any portion of this contract. 30.4 In the event of failure to obtain such registration or Governmental approval, each party hereto hereby agrees that it shall in that event bear the expenses which it has incurred in relation thereto.				Ex.I 30 WIPO

SOURCES:

WIPO	Licensing Guide for Developing Countries World Intellectual Property Organization, 1977
ID/WG.400/2	Items to be Included in Model Contracts for the Import, Assembly and Manufacture of Agricultural Equipment, Including Training; Model Licensing Agreement UNIDO, 21 July 1983
ORGALIME	Model Form of License Agreement for the Manufacture of an Unpatented Product Organisme de Liaison des Industries Métalligues Européennes, June 1984 and Practical Guide for Preparing a Know-How Contract Organisme de Liaison des Industries Métalligues Européennes, 1976 (Reprint, September 1983)
YDE Co. Ltd. Japan	Opinion of Specialists from Japan submitted through Yanmar Diesel Engine Co., 15 February 1984
ECE/188 A	General Conditions for the Supply and Erection of Plant and Machinery for Import and Export UN/ECE, March 1957